



# NEWS

**FOR IMMEDIATE RELEASE**

November 6, 2003

**For more information:**

**Deborah Robinson, Public Relations 301-545-5256**

**Paul Dillon, Investor Relations 301-294-3702**

## **MAMSI Highlights Third Quarter 2003 Conference Call**

**Rockville, MD** – Mid Atlantic Medical Services, Inc. (MAMSI) (NYSE:MME), one of the mid-Atlantic region's largest health services companies, today announced some of the highlights from its conference call held to discuss third quarter 2003 financial results.

- **Quarter over quarter, MAMSI delivers reliable earnings growth.**

For the third quarter of 2003, the Company had net income of \$46,154,000 or \$1.10 per share on 41,830,000 diluted shares outstanding, compared to net income of \$22,523,000 or \$0.54 per share on 41,649,000 diluted shares in the third quarter of 2002. Net income increased 105 percent and earnings per share increased 104 percent, quarter over quarter. The third quarter's net income increased \$7,072,000 or 18.1 percent over the second quarter of 2003.

- **The Company's performance is attributable to a reduction in medical expenses and administrative costs.**

The medical care ratio for the third quarter of 2003 was 80.4 percent compared to 85.2 percent for the third quarter of 2002 and 82.1 percent in the second quarter of 2003. The administrative expense ratio was 10.3 percent for the third quarter of 2003 compared to 10.5 percent for the third quarter of 2002. Membership quarter over quarter was flat and MAMSI expects membership for the year to be down one to two percent.

- **Looking ahead to 2004, MAMSI expects membership growth in the three to five percent range, annual per member per month premiums to increase approximately 11 percent net of buy-downs, the medical expense trend to be in the range of 10 to 11 percent, the administrative expense ratio to be in the range of 10 to 10.3 percent of consolidated revenues, and earnings per share to increase 15 to 20 percent.**

- **The merger with UnitedHealth Group presents an opportunity to combine and expand two complementary and market-leading health services companies.**

It provides a superior growth opportunity within the mid-Atlantic region and allows the Company to positively impact the healthcare experience of members and physicians. The merger allows for the additional penetration of MAMSI's wide-ranging suite of products and an opportunity to broaden customer relationships through UnitedHealth Group's product offerings such as Ovations, Uniprise and Specialized Care Services. MAMSI's members and employer groups will have access to a nationwide network of physicians and hospitals. Members, employer groups and physicians will benefit from the significant technologic advances available through UnitedHealth Group.

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:** All forward-looking information contained in this release is based on management's current knowledge of factors, all with inherent risks and uncertainties, affecting MAMSI's business. MAMSI's actual results may differ materially if these assumptions prove invalid. Significant risk factors, while not all-inclusive, are: the possibility of increasing price competition in the Company's service area; the effect of a weak economy on the Company; the effect on the Company due to the acts of terrorism and the threat of future attacks; the possibility that the Company is not able to increase its market share at the anticipated premium rates; the possibility of increased litigation, legislation or regulation

(such as the numerous class action lawsuits that have been filed against managed care companies and the pending initiatives to increase health care regulation) that might have the potential for increased costs, and/or increased regulation of rates which might have the potential to decrease revenue; the inability to predict and control medical expenses due to increased utilization by the Company's membership, increased practitioner and pharmaceutical costs, federal or state mandates that increase benefits or limit the Company's oversight ability, the ultimate accuracy of the Company's estimate of the liability for incurred but not reported claims, the potential for disputes under its risk-sharing arrangements, and the Company's ability to maintain and renew these arrangements; and the possibility that the Company is not able to negotiate new or renewal contracts with appropriate physicians, other health care practitioners, hospitals and facilities. The list of significant risk factors is not intended to be exhaustive. There may be other risk factors that would preclude the Company from realizing the predictions made in the forward-looking statements. While the Company may periodically update this discussion of risk factors, the Company does not undertake to update any forward-looking statement that may be made by or on behalf of the Company prior to its next required filing with the Securities and Exchange Commission.

###